

COMPANY ANNOUNCEMENT

MINTAILS SECURES ZAR100M FUNDING FROM DRD GOLD

6 October 2008 : Mintails Limited (ASX Code MLI) (“Mintails” or “the Company”) has entered arrangements which will provide a minimum of ZAR 100 m (circa AUD\$15m) towards completing the funding arrangements for the ERGO Project situated on the East Witwatersrand Basin near Johannesburg, South Africa. This funding became necessary to complete acquisitions of additional deposition capacity and tailings dumps as part of the significant expansion of the ERGO Project which was announced in November 2007.

The ERGO Project comprises a gold joint venture (“the Elsburg gold JV”) based on the Elsburg tailings dump containing some 180 mt with a JORC resource of 1.7 m oz au, and the larger Ergo Mining (Pty) Ltd (“Ergo Mining JV”) venture which involves the proposed reclamation and processing of about 1.5 billion tonnes of tailings for uranium, sulphur and gold. The Elsburg gold JV is on schedule to commence operations this month utilising one refurbished CIL circuit at Mintail’s Brakpan plant. The larger Ergo Mining JV is currently subject to a bankable feasibility study and involves the proposed recommissioning of the balance of the Brakpan site to process tailings through uranium, sulphur and gold circuits.

The funding has been secured through agreement with the Company’s joint venture partner DRD Gold Limited (“DRD Gold”) which will advance the funds in exchange for a 15% interest in the Elsburg gold JV. This will take DRD Gold’s interest to 65% with the balance held by Mintails.

Mintails 50% interest in the larger Ergo Mining JV is unchanged by this transaction. Mintails is delighted to have DRD Gold’s support through these arrangements which validates the growing strength of the relationship between the venture partners.

In addition, DRD Gold has been granted an option to acquire a further 11.4% in the Elsburg Gold JV (“the Option”). The Option is exercisable between 1 January 2009 and 15 January 2009 at an exercise price of ZAR75 million (cira AUD\$12m). The Option is only exercisable in circumstances where the Company has insufficient funds to complete its funding arrangements in respect of the ERGO Project. Funds obtained through the exercise of the Option would be applied by the Company in meeting its funding requirements for those projects.

The consummation of these arrangements does not complete the Company’s review of all projects and its capital requirements which resulted in the Company’s trading halt and subsequent suspension of trading in securities from 16 September last. In that regard the Company is continuing to review its capital requirements with respect to its projects and allocation of available capital and expects to make a further announcement when that review is completed.

On Behalf of the Board



Bryan J. Frost
Chairman

About Mintails Limited

Mintails Limited (ASX Code : MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and recovers gold and proposes to recover uranium from surface tailings resources which are present on the West Rand and East Rand of South Africa's historic Witwatersrand Basin. Mintails has a joint venture with DRDGold on the East Rand and is in the process of recommissioning the former AngloGold Ashanti-owned ERGO (East Rand Gold and Uranium Operations) and is completing construction of WERGO on the West Rand of South Africa. To find out more, visit Mintails at:

www.mintails.com

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